

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3701-01
BILL NO.: HB 1885
SUBJECT: Graduated Drivers Licensing
TYPE: Original
DATE: March 3, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Highway Fund	(\$114,366)	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$114,366)	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance** and the **Department of Elementary and Secondary Education (DESE)** assume this proposal would not fiscally or administratively impact their agencies. DESE currently provides a drivers education certification and reviews all drivers education program curriculum offered at educational institutions as part of the accreditation process.

Officials from the **Department of Revenue (DOR)** assume this proposal makes changes to four sections within 302.178 RSMo. It allows the director to deny a full drivers license to an applicant who has point assessable traffic convictions within the twelve months preceding the date of application for a full driver's license or until the person is eligible to receive a six year driver's license issued pursuant to Section 302.177 (age 21). An intermediate driver's license shall expire when the licensee is eligible and received a full driver's license. The proposal allows an intermediate licensee who has not had an alcohol related enforcement contract or a point assessable traffic conviction, and has completed a driver training program, approved by the Department of Elementary and Secondary Education or a driver training program approved the Department of Revenue to be issued a full driving privilege upon reaching the age of 17. The proposal requires the intermediate licensee to submit proof of the successful completion of the driver's training program on a DOR approved form. The proposal exempts an individual who has reached the age of 17, and successfully completed an approved driver education program, from the intermediate licensing requirements.

DOR notes that eliminating the requirement for filing a certificate of insurance will greatly hinder the director's ability to monitor whether the person is maintaining insurance. In addition, the graduated licensing "model" program produced by the American Associate of Motor Vehicle Administrators in conjunction with the federal government requires restricted driving privileges until the age of eighteen. This proposal may affect the State of Missouri's ability to qualify for federal highway grant money associated with the Graduated Licensing Program.

As a result of these proposed changes, DOR anticipates modifications to the Over-the-Counter system (OTC), the Missouri Driver License system (MODL), the Central Driver Information System (CDIS) and the State Data Center. Programming changes to the MODL and CDIS can be accomplished through internal existing resources. Programming modifications to the State Data Center will cost approximately \$8,116 in FY 01. In addition, changes, edits and testing to the OTC system will have to be conducted by the state approved contractor, Polaroid, Inc. Polaroid has estimated 850 hours of programming to implement this proposal at \$125 per hour, for a total cost of \$106,250.

ASSUMPTION (continued)

The proposal also requires the DOR to approve driver training programs offered by private institutions and to provide a form to driver training courses for certification that an individual has successfully completed an approved course. In order for the Department of Revenue to approve driver training programs offered by private institutions, a program certification process must be established within the department. Private driver training institutions are currently unregulated. DOR assumes there are 150 such programs statewide. The certification and audit of these sites would require 6 FTE, including a Program Manager, Clerk Typist II, and three Auditor I's. Total anticipated cost for these FTE would be approximately \$197,367 in FY 01, \$242,762 in FY 02 and \$248,830 in FY 03.

Oversight assumes the certification of private drivers education programs would be a one-time verification. Also, there is no requirement in the proposal for DOR to audit these programs yearly. In addition, DOR could collaborate with the Department of Elementary and Secondary Education in developing certification criteria and therefore would not incur substantial costs or time in completing the certification of the private drivers education programs. As a result, Oversight has adjusted all costs anticipated by DOR to zero except for the required programming costs anticipated to be incurred with the State Data Center and the OTC system.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
HIGHWAY FUND			
<u>Costs - Department of Revenue</u>			
State Data Center	(\$8,116)	\$0	\$0
OTC Programming by Polaroid	<u>(\$106,250)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>(\$114,366)</u>	<u>\$0</u>	<u>\$0</u>
	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>FISCAL IMPACT - Local Government</u>			
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

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DESCRIPTION

Under this proposal, the Director of the Department of Revenue is allowed to deny an application for a full driver's license to any individual until the person has demonstrated a safe driving performance for a period of 12 months prior to the application or until the person reaches the age of 21. A full driver's license may be obtained by any person who has reached the age of 17 if the person successfully completes an approved driver training program. The driver training programs must be approved by Department of Elementary and Secondary Education, if offered by an educational institution, or the Department of Revenue, if the program is offered by a private institution. Any school district may provide a driver training program to meet the requirements of the proposal and may charge a fee to cover the cost of the program. The proposal requires insurance companies to give a 10% discount on a liability policy of any person who submits proof of successfully completing a driver training program.

The proposal also prohibits the Department of Revenue from requiring a person to file an SR-22 or other form of high risk insurance after suspension for driving without automobile insurance.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Elementary and Secondary Education
Department of Insurance



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Director
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